

REFERENCE  
P.A.G. - 102

**COMMITTEE ON PUBLIC ACCOUNTS  
ONE HUNDRED AND  
SECOND REPORT  
2003-2006**

**ELEVENTH ASSEMBLY**



सत्यमेव जयते

**REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS  
ON THE REPORT OF THE COMPTROLLER AND  
AUDITOR GENERAL OF INDIA  
FOR THE YEARS 1987-88,  
1988-89 AND 1989-90  
(REVENUE RECEIPTS)**

**RELATING TO FINANCE (TAXATION) DEPARTMENT  
GOVERNMENT OF ASSAM**

**Presented before the House on 1st February, 2006**

**ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT  
DISPUR, GUWAHATI - 6**

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(1)

COMPOSITION OF THE COMMITTEE 2003-2006

CHAIRPERSON :

1. Smti. Pramila Rani Brahma

MEMBERS :

2. Shri Dilip Kumar Saikia
3. Dr. Zoi Nath Sarma
4. Shri Gautam Bora
5. Shri Ajit Singh
6. Shri Bidya Singh Engleng
7. Shri Dilder Rezza
8. Shri Gopi Nath Das
9. Shri Dharamsing Teron
10. Shri Biswajit Daimary
11. Shri Bimolangshu Roy
12. Shri Chandan Sarkar
13. Shri Sarat Saikia

SECRETARIAT :

1. Shri G. P. Das, Secretary
2. Shri S. Deka, Joint Secretary
3. Shri B. Basumatary, Deputy Secretary
4. Shri Khalilur Rahman, Committee Officer.

(ii)

PREFATORY REMARKS

I, Smti. Pramila Rani Brahma, Chairperson of the Committee on Public Accounts having been authorised to submit the Report on their behalf, present this Hundredth and Second Report of the Committee on Public Accounts on the Audit paras contained in the Report of the Comptroller and Auditor General of India (R/R) for the year 1987-88, 1988-89 and 1989-90 pertaining to Finance (Taxation) Department, Government of Assam.

2. The Report of the Comptroller and Auditor General of India (R/R) for the years 1987-88, 1988-89 and 1989-90 was laid to the House on 18-10-1990, 30-7-1991 and 21-12-1992.
3. The Report as mentioned above relating to the Finance (Taxation) Department was considered by the Sub-Committee 'A' of the Committee on Public Accounts under the Convenorship of Shri Bidya Singh Engleng, MLA as at Annexure-A in their sitting held on 12-9-2005. The Sub-Committee also adopted the draft Report in their meeting held on 6-1-2006 for the consideration and approval by the main Committee.
4. The Committee has considered the Draft Report and finalised in their sitting held on 6-1-2006 for presentation before the House.
5. The Committee places on records their appreciations to the Sub-Committee 'A' for their strenuous works for obtaining various records, information and clarification pertaining to the Audit paras relating to Finance (Taxation) Department. The Committee also wishes thanks to the Departmental witness for their Co-operation. The Committee also appreciates the A.G (Audit) Assam, and his Junior Officers for their valuable assistances. The Committee also please to offer thanks to the Secretary, Assam Legislative Assembly with his officers and staff of the Committee on Public Accounts Branch for their valuable services rendered to the Committee.
6. The Committee earnestly hopes that the Government would implement the recommendations made in the Report.

Dispur  
The 6th January, 2006

SMTI. PRAMILA RANI BRAHMA  
Chairperson.

## THE REPORT

### CHAPTER - I

Finance (Taxation) Department

Non-realisation of Professional Tax

(Audit para 4.5/CAG/1987-88. R/R)

1. 1 Audit has pointed out that under the Assam Professions Trades, Callings and Employments Taxation Act, 1947, every person, who carries on a trade, or who follows a profession or calling or who is in employment within the State and whose total gross annual income exceeds Rs.8,000, is liable to pay, for each financial year, tax at the prescribed rates. The tax payable by persons in employment of any Government, local authority, company, firm or other association of persons shall be deducted by the principal officer thereof from any amounts payable to such persons in his establishment. The Principal officer thereafter shall submit to the Superintendent of Taxes, returns of the tax deducted by him within the prescribed time and deposit the tax so deducted. If the Superintendent of Taxes is satisfied that the required returns have not been furnished by the Principal officer in any case, he shall assess the tax due, to the best of his judgement. The owners of motor vehicles are also liable to pay professional tax in addition to the tax paid by them under the Assam Passengers and Goods Taxation Act, 1962. If for any reason, any person has not been assessed or has been under-assessed to tax, assessment proceedings in respect of a financial year can be initiated, after service of a notice to that effect within a period of three years from the end of the financial year, on the person liable to pay the tax. In Bongaigaon, Sibsagar, Dhubri and Golaghat, 183 individuals, firms companies carrying on trade and business within the jurisdiction of the Superintendents of Taxes were not submitting returns and paying tax as required under the Act, even though as per records of the Income Tax Department their annual income during the years 1984-85 to 1986-87 was more than the taxable quantum of Rs.8,000. The tax involved in these cases worked out to Rs.76,150 for the financial years 1984-85 to 1986-87. Moreover recovery of substantial amount of tax on profession relating to the period prior to the financial year 1984-85 had become time-barred due to non-service of any notice for assessment on the persons within the statutory period of three years. However, the precise amount of the time barred recovery could not be worked out for want of full particulars of the persons as no such records were maintained by the Superintendents of Taxes.

1.2 The Department by their written replies as well as oral deposition has stated that immediately after receipt of the audit objection assessing officers were alerted to pursue the matter vigorously. The assessing officers on their turn initiated actions against the defaulting assessees. Cases which are barred by limitation however could not be processed with. Adequate steps for survey of all the assessees liable to tax under the A.P.T.C. & E.T. Act/1947 have been taken to ensure that no assessee liable to tax could go scot free. Amount assessed from the liable assessees roped in after receipt of the audit objection are in the process of recovery. However, in some of the cases reported it was found that the parent firms have paid the tax. So the partners of such firms could not be made liable to tax on the portion of the profit derived by them from the income of the firm who were already assessed. The firm is the person liable to tax but not the partners although they may be liable to pay tax under the Indian Income Tax Act. The assessing officers have come across some cases (Report by Accountant General) where the persons derived income as House Rent. The persons who derive income from house rent only cannot be made liable to tax under the A.P.T.C. & E.T. Act.-50 such cases were naturally not taken up by the assessing officers. Thus all the persons liable to income tax may not be liable to tax under the A.P.T.C. & E.T. Act/1947 as the income tax is leviable on income where the P. Tax etc. is leviable on the persons who follow profession, Trade, Calling and Employment.

#### OBSERVATIONS/RECOMMENDATIONS

1.3 The Committee, satisfied with the replies of the departmental representatives and decided to drop the para with the recommendation that the remaining amount should be realised and furnished the photo copies of treasury challan to the Committee within three months from the date of presentation of this report before the House.

**Non-realisation of Professional Tax**  
**(Audit para 4.2/CAG/1988-89. R/R)**

- 2.1 Audit has pointed out that under the Assam Professions, Trades, Callings and Employments Taxation Act, 1947, every person who carries on a trade, or who follows a profession or calling or who is in employment within the State and whose total gross annual income exceeds Rs. 80,000, is liable to pay, for each financial year, tax at the prescribed rates. The tax payable by persons in employment of any Government, local authority, company, firm of any Government local authority, company, firm or other association of persons shall be deducted by the principal officer thereof from any amounts payable to such persons in his establishment. The principal officer thereafter shall submit to the Superintendent of Taxes, returns of the tax deducted by him, within the prescribed time and deposit the tax so deducted. If the Superintendent of Taxes is satisfied that the required returns have not been furnished by the principal officer in any case, he shall assess the tax to the best of his judgement. However, no assessment proceedings in respect of income of a financial year can be initiated unless a notice to that effect is served on the employer within a period of three years from the end of the financial year.
- (a) A principal officer under the jurisdiction of the Superintendent of Taxes, Guwahati 'C' Unit, neither submitted a return nor realised any tax from his employees, as required under the Act, for the two years from 1986-87. A test check by audit of the records of the principal officer revealed that 83 employees of the department, who were liable to pay professional tax, were not assessed under the Act, resulting in non-realisation of tax amounting to Rs. 18,900. Moreover, recovery of substantial amount of tax on profession relating to period prior to the financial year 1986-87 had become time-barred due to non-serving of notice for assessment on the employer, within the statutory period of three years.
- (b) (i) A cross check, by audit, with the income tax Assessment records revealed that 49 persons under the Sales Tax Unit Office at Tezpur, though assessed to Income Tax for the years 1986-87 to 1988-89 on their annual income exceeding Rs. 25,000, were not assessed to Professional Tax, resulting in non-realisation of tax amounting to Rs. 36,750 (calculated at the rate of Rs. 250 per year on the basis of minimum annual income of Rs. 25,000) for these years.

- (ii) Under the same Sales Tax Unit Office 110 practising lawyers were also not assessed to tax on profession resulting in non-realisation of tax of at least Rs. 16,500 (computed on the basis of minimum rate of tax of Rs. 50 per year) for the period from 1986-87 to 1988-89. The tax effect for the earlier periods could not be quantified, in the absence of details.

2.2 The Department by their written replies as well as oral deposition has submitted to the Committee that (a) As per report furnished by the Superintendent of Taxes, Guwahati Unit C, the following amounts of professional tax had been realised from the concerned principal officer namely. Regional Provident Fund Commissioner. For the years 1981-82 to 1984-85, assessments were subsequently completed and total demand was raised at Rs. 37,800/-. The same was realised vide Challan No. 30 dated 24.09.93 for Rs. 27,400/- and Ch. No. 129 dated 27.09.93 for Rs. 10,400/-. Further, assessments for the years 1985-86 to 1988-89 were also completed and the resultant demand of Rs. 37,750/- had also been realised. The audit objection hence may be settled.

(b) (i) Following the audit objection, an enquiry was made through the concerned Inspector of Taxes. It was revealed therefrom that about 24 Nos. of assessee out of the total 49 Nos. pointed out by the Audit were actually found liable for payment of professional tax. Assessments were accordingly completed against them by raising the recoverable demand.

(b) (ii) As per audit objection, all the advocates liable for Professional Tax under the jurisdiction of Supdt. of Taxes, Tezpur were duly assessed. It would also be worthwhile to mention that 6 lawyers out of the total no. pointed out by the Audit had long been dead at the time of raising the objection by the Audit. Besides, quite a few number had long retired from the Profession. The total amounts of the Professional Tax realised in these cases come out at Rs.3350/- and the balance amounts are also in the process of realisation by the concerned officers.

### OBSERVATIONS/RECOMMENDATIONS

2.3 The Committee is satisfied on the action taken by the Government for realisation of professional tax and decided to drop the para.



Registration and enrolment  
(Audit para 4.2.6/CAG/1989-90. R/R)

3.1 Audit has pointed out that under section 2 of Assam Professions, Trade, Callings and Employments Taxation Act 1947, the Principal Officer will be the head of an office or the disbursing officer of a local authority, company, firm or other association of persons. The tax payable under this Act by any person in the employment of any Government, local authority, company, firm or other association of persons, shall in the manner prescribed, be deducted by the Principal officer on behalf of such Government, local authority, company, firm or other association of persons. The principal officer making such deduction shall also submit to the assessing authority such returns, within such time, as may be prescribed. The Act does not provide for statutory registration of principal officers with the Commissioner of Taxes. A suitable amendment to the Act, casting such an obligation on the principal officer is likely to facilitate more effective administration of the Act. As per information furnished by the Commissioner of Taxes (May 1990), the number of persons liable to pay tax under the Act was 95,786 during the year 1986-87 and 1.41 lakhs in the year 1988-89. The number of such persons during 1987-88 and 1989-90 were not furnished by the department of audit. Though the department has its own machinery to consisting of Superintendents of Taxes and Inspectors of Taxes for conducting surveys for identification of potential assesseees, the records maintained centrally in the office of the Commissioner of Taxes indicated that the department had neither issued any administrative instructions to the field offices laying down any norms for conducting such surveys to be carried out nor were steps taken to evaluate the effectiveness of the surveys conducted by the local officers, if any. It was, however, noticed that in June 1989, the department had issued instructions to the field officers to carry out intensive surveys for detection of new cases, but the department had not yet prepared any comprehensive estimates of the total number of persons liable to pay professional tax annually (January 1991).

3.2 The Department by their written replies has stated that as it stands at present the number of individual tax payers under this Act will come to more than three lakhs. However, all the tax payers are not individually registered under this Act. As per the provision of the Act the principal officers only in respect of offices/organisations both public and private having employment under them are liable for submission of return and deposit of tax for all persons

under their employment. As such only the Principal Officers are registered under this Act. What is in record in the 'Report' is not the true indicator of actual number of individual tax payers, under this Act. Though the Department has its own field machinery (Comprising of 150 I.T.'s) for the purpose of conducting survey for roping in liable tax payers, the Department could not ear-mark any officer independently for the purpose of conducting survey under the A.P.T.C & E.T. Act. The Department administers as many as eleven Taxation Acts and the above referred 150 officers (who are the primary survey Officers) are to cover most of the field works including specific investigation under each of the Taxation Acts mentioned above covering of the State. For kind appraisal of the "Committee" copies of the circulars issued from time to time in the form of administrative instructions/guide lines etc. As per the prescribed norm each assessment circle has to maintain a monthly record of number of assessment cases that has come up for assessment under each Taxation Act. The corresponding return which is a monthly return that a unit office is required to submit to the Apex Office gives clear picture of assessment cases newly entered for assessment under each Act.

### OBSERVATIONS/RECOMMENDATIONS

- 3.3 After threadbare discussion the Committee decided to drop the para with the recommendation that the Department should prepare estimates of the total number of persons liable to pay professional tax annually and to submit a report to the Committee within one month from the date of presentation this report before the House.

Submission of returns and assessments  
(Audit para 4.2.7/CAG/1989-90. R/R)

- 4.1 Audit has pointed out that under the Act, every person liable to pay tax is to submit, within 60 days of the commencement of the financial year, a return in the prescribed form showing his gross total income during the previous year relevant to the assessment year along with a receipted copy of the challan in support of payment of tax. Tax payable by a person in the employment of any Government, local authority, company, firm or association of persons is to be deducted by the Principal Officer thereof from the amount payable to such person. The principal officer, is required to submit to the assessing authority, the prescribed returns along with a receipted copy of the challan in support of deposit of the tax. On receipt of a return, the assessing officer, if the return is correct and complete in all respects, has to complete the assessment and determine the tax payable by the assessee. In case an assessee fails to submit a return, the assessing officer is to make a best judgement assessment and determine the tax payable. The Act does not provide any time limit for completion of assessments. Test check of the records of the 10 assessing units mentioned in Para 4.2.3. supra revealed that the department did not maintain proper records showing the total number of individuals and principal officer liable to submit returns and pay tax so as to watch the timely submission of returns by them. Review of records of the above assessing units also showed that, as on 31st March 1987, 13,280 assessment cases were pending with the tax authorities. Further, during the period from 1987-88 to 1989-90, 1,40,357 cases were due for assessment. Out of these 1,53,630 (13280 + 140357) cases, assessments of 61,300 cases only were completed upto 31st March 1990 leaving a balance of 92,337 cases pending for disposal. The unitwise details of the pending cases are as shown below :-

Sl. No.	Name of Unit Office	Assess-ments pending completion for earlier years upto 1986-87	Assess-ments due for completion during 1987-88 to 1989-90	Assess-ments com-pleted during 1987-88 to 1989-90	Cases waiting assess-ments at the end of March 1990	Number of assess-ing officers available at the end of March 1990	Average rate of disposal.
1	2	3	4	5	6	7	8
1.	Guwahati Unit 'A'	1,741	36,174	19,647	18,268	9	52%
2.	Guwahati 'B' Unit	976	9,390	489	9,877	6	5%
3.	Guwahati 'C' Unit	4,481	27,729	6,484	25,726	9	20%
4.	Barpeta	Nil	4,080	2,720	1,360	1	67%
5.	Goalpara	879	4,292	974	4,197	2	19%
6.	Dhubri	579	5,640	3,727	2,492	5	60%
7.	Nagaon	1,666	13,680	6,139	9,207	5	40%
8.	Dibrugarh	2,123	10,542	2,316	10,349	5	18%
9.	Tinsukia	686	8,355	5,372	3,669	7	59%
10.	Silchar	149	20,475	13,432	7,192	5	65%
		<u>13,280</u>	<u>1,40,357</u>	<u>61,300</u>	<u>92,337</u>	<u>54</u>	

As per the norms prescribed by the Taxation Department, an assessing officer is required to complete 100 assessments in respect of Sales Tax cases and 100 assessments in respect of cases under all the other Taxation Acts (including Assam, Trades, Callings and Employments Taxation Act) in each month. No separate quantum had been prescribed for assessments under the Assam Professions, Trades, Callings and Employments Act, 1947, which rendered evaluation of the performance of the assessing officers by the department, in respect of disposal of the assessment cases under the Act, difficult.

4.2 The Department by their written replies as well as oral deposition has stated that the unit wise details of present position of pending cases that stood at the end of March 1990 as recorded in Comptroller and Auditor General's Report for 1989-90 is given below :-

Nagaon	-	-	6402 (April 1992)
Guwahati	-	-	3014 (July 1992)
Unit-C.			
Tinsukia	-	-	2917 (Oct. 1992)
Dhubri	-	-	1439 (May 1992)
Goalpara	-	-	2435 (May 1992)
Barpeta	-	-	3511 (April 1992)
Guwahati	-	-	3936 (April 1992)
Unit-B.			
Silchar	-	-	461 (April 1992)
Dibrugarh	-	-	9051 (February 1993)
Guwahati	-	-	803 (March 1993)
Unit-A.			
<hr/>			
Total =	-	-	33969

A uniform norm for disposal is difficult to prescribed because all assessment circles are not equally distributed with assessment cases under the A. P. T. C. & E. T. Act, 1947.

#### OBSERVATIONS / RECOMMENDATIONS

4.3 The Committee heard the explanation from the departmental witnesses and observes that no separate quantum had been prescribed by the Government for assessment. The Committee, therefore, recommends that a detailed report showing the position of arrears in assessment may be submitted to the Committee within one month from the date of presentation of this report before the House.

Non-assessment of Tax  
(Audit para 4.2.8/CAG/1989-90. R/R)

- 5.1 Audit has pointed out that the Act provides that any person liable to pay tax is ordinarily to be assessed by the assessing officer of the area in which he carries on trade or follows a profession or calling or is in employment. Under the provisions of this Act, no assessment proceedings can be initiated unless a notice is served within three years of the end of the financial year, the income in respect of which is sought to be taxed.
- (a) Assessment in respect of lawyers or advocates practising the various subordinate courts at Guwahati is entrusted with the Superintendent of Taxes, 'A' Unit, Guwahati. A cross verification of records maintained at Sales Tax 'A' Unit, Guwahati, with a list of lawyers and advocates obtained from the Court of the Deputy Commissioner, Kamrup, Guwahati showed that out of 410 lawyers and advocates practising at Guwahati, only 51 lawyers and advocates (12 per cent) were being assessed under the Act in the unit *ibid*. Thus, 359 lawyers and advocates were left out of the scope of the Act. There was nothing on record to establish that any enquiry had been conducted to verify whether their income was less or more than the taxable minimum. While no presumption as to any escapement of revenue could be made from this case as such, the fact remains that the department's efforts in bringing to tax all liable persons cannot be regarded as very effective. Further, even if any survey of this group of professionals is conducted at this stage, assessments of all these potential assesseees upto the year 1986-87 would be time-barred (April 1990).
- (b) Test check in 10 units showed that 6 Principal Officers under the jurisdiction of Guwahati 'C' and Dhubri units did not either submit any return, or deposit any tax for a number of years from 1982-83 to 1989-90. The assessing officers also did not serve any notice on them for any of these years. As the prescribed period of 3 years of the end of the years 1982-83 and 1984-85 to 1986-87 was already over on 31st March, 1986, 1988 and 1990 respectively, assessment for the above years would be time-barred resulting in likely loss of revenue to the tune of Rs. 80,000, computed on the basis of tax paid by the assesseees in the preceding year prior to the defaulting year.

Non-realisation and non-deposit of tax by Principal officer ;

- (i) The principal officers of Government Officers, local authority companies, firm etc. are responsible for deduction and deposit of tax due from their employee and also are required to submit returns along with challans in support of deposit of tax into the treasury. Test check of cases selected at random in 10 Sales Tax Units covered by the review showed that 36 principal officers did not submit any return, and deposit any tax deductible from their employees for a number of years between 1981-82 and 1989-90. Notices were, however, served to the principal officers in respect of the cases where assessments were becoming time-barred. On their failure to submit return and pay tax due, the assessing officer should have investigated about their continued tax liability and completed the assessments on best judgement basis, wherever necessary. But this was not done. Calculated on the basis of actual amount of tax paid for the year immediately preceding that in which the principal officers defaulted in deposit of tax (presuming the number of principal officers remaining the same), the total amount of tax payable by them worked out of Rs. 20.98 lakhs.
- (ii) Test check of 1154 cases in respect of owners of public carries and public service vehicles in 6 Sales Tax Units (Guwahati 'A', 'B', and 'C', Nagaon, Dhubri and Dibrugarh) disclosed that revenue amounting to Rs. 2.76 lakhs (calculated at the minimum rate of Rs. 50 upto the year 1988-89 and Rs. 150 for 1989-90) was not realised in respect of 1027 cases for the defferent years falling between 1979-80 and 1989-90. The cases were not pursued vigorously, as required under the provision of the Act, nor were any penal proceedings under the Act (which empowers the assessing officer to impose penalty not exceeding the sum due from the assessee) initiated.

5.2 The Department by their written replies as well as oral deposition has stated that (a) In pursuance of the audit objection a thorough survey was conducted by the concerned field officers with a view to identify the practising Lawyers liable under the A.P.T.C. Act. The survey revealed that as against 410 lawyers and advocates pointed out by Audit only 115 lawyers were found liable under the A.P.T.C. & E.T. Act as on April, 1990 and assessment proceedings were started. (b) Out of the six principal officers in record in the comptroller & Auditor General's report 1989-90 four belonged to Guwahati Unit-'C' and two belonged Dhubri Unit. In respect of principal officers.

- (1) Under the jurisdiction of Guwahati Unit-'C' assessment had been completed upto the end of 1991 and tax amounting to Rs. 1,09950/- had been realised.
- (2) In respect of principal officers number two assessment had been completed upto the end of 1990 and tax amounting to Rs. 3,17725/- had been deposited by the assesseees.
- (3) In respect of principal officer No three assessment had been completed upto the end of 1990 and due taxes amounting to Rs. 35,400/- had been deposited by the assessment.
- (4) In the case of principal officers No. four assessment had been completed upto the end of 1989 and the taxes amounting to Rs. 47750/- had been deposited by the assessee. In respect of Dhubri Unit Office the two principal officers one being a Central Govt. Office and the other being Autonomous Body assessment had been completed upto the end of 1991 and due taxes had been deposited by the concerned assesseees.

(b) (i) The 36 principal officers in record are identified as below :-

(1) Guwahati Unit - C	-	14 Nos.
(2) Jorhat Unit	-	14 Nos.
(3) Dhubri	-	2 Nos.
(4) Guwahati Unit - B	-	1 No.
(5) Dibrugarh	-	5 Nos.

In respect of the 14 principal officers of Jorhat assessment in respect of one principal officer have been completed and taxes have been realised up to the end of 1992-93. In respect of three assesseees assessment have been completed and taxes have been realised upto the end of 1991-92. In all other cases assessments have been completed upto end of 1989-90, the period under reference and due taxes have been realised. Of the 14 officers of Guwahati Unit-'C', 3 principal officers have been assessed up to the end of 1992-93, two principal officers were assessed upto the end of 1991-92, three principal officers were assessed up to the end of 1990-91. Three were assessed upto the end of 1989-90 and the remaining principal officers were assessed upto the end of March 1989. However, notices have been served on all defaulting assesseees for submission of return and deposit due taxes. In respect of Dibrugarh



Unit Office all principal officers except one were assessed upto the end of 1989-90. In the case of remaining one assessment was completed upto the end of 1988-89. In the case of principal officers falling under Dhubri Unit Office assessments have been completed upto the end of 1989-90. In respect of Guwahati Unit - 'A' there were no principal officers in whose case assessments found pending.

(b) (ii) In all the unit officers recorded in the CAG's report the latest position of assessment and payment of tax under the A.P.T.C. & ET Act in respect of owners of public vehicles have been examined and which may be seen from the statement furnished below :-

Unit Office

Guwahati Unit 'A'	-	848
Guwahati Unit 'B'	-	261
Guwahati Unit 'C'	-	212
Nagaon	-	306
Dhubri	-	122
Dibrugarh	-	63

**OBSERVATIONS / RECOMMENDATIONS**

5.3 The Committee is not satisfied with the reply of the departmental representatives. The Committee observes that the Principal Officers of Government Offices, local authority, companies, firm etc. did not submit any returns and deposit any tax deductible from their employees for a number of years between 1981-82 and 1989-90. The Committee, therefore, recommends that steps should be taken by the Government to recover the amount of professional tax amounting to Rs. 20.98 lakhs as pointed out in audit credited to Government account. Action taken in this regard may be intimated to the Committee within two months from the date of presentation this report before the House.

Non-realisation of Professional Tax  
(Audit para 4.3/CAG/1989-90. R/R)

6.1 The Audit has pointed out that a few other cases of omissions under the Act, noticed in the normal course of audit are given below :-

(a) In Sibsagar, 55 persons including a firm, carrying on trade and business within the jurisdiction of the Superintendent of Taxes, did not submit returns and pay taxes as required under the Act. Tax involved in these cases worked out to Rs. 37,650/- for the financial year 1987-88 to 1989-90 on the basis of annual income during these years determined by the Income Tax Department.

(b) In Jorhat, six principal officers who were assessed prior to the year 1980-81 did not submit any return, as required under the Act, relating to the Financial years 1980-81 to 1985-86. No notice was issued to the defaulting principal officers by the Superintendent of Taxes within the statutory period of three years. Due to non-initiation of assessment proceedings a total tax of Rs. 1.06 lakhs on professions has become irrecoverable being barred by limitation of time.

6.2 The Department by their written replies as well as oral deposition has stated that (a) in Sibsagar all 55 persons including a firm as has been pointed out by Audit as cases of Non-assessment and non-realisation of Prof. Tax and subsequently been assessed upto the end of accounting year 1990-91 and notices of demand had been issued to the defaulting assesses. Out of the 55 assesses 10 have paid their due taxes. Actions are being taken to recover the demanded taxes from the remaining assesseees. The six principal officers are identified and assessments were completed including realisation of taxes from all those assesses upto the end of 1991-92. (b) The six principal officers are identified and assessments were completed including realisation of taxes from all those assesses upto the end of 1991-92.

### OBSERVATIONS / RECOMMENDATIONS

6.3.1 The Committee satisfied with the replies of departmental representatives and decided to drop the para.

6.3.2 The Committee satisfied on the action taken by the Government on realisation of professional tax and decided to drop the para.

ANNEXURE - A

The Members of the Sub-Committee 'A' of the Committee on Public Accounts (2003-2006).

Convenor :

1. Shri Bidyasingh Engleng

Members :

2. Shri Bimolangshu Roy
3. Shri Biswajit Daimary
4. Shri Ajit Singh
5. Shri Gopi Nath Das
6. Shri Sarat Saikia.

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